



June 2003

California News

CRP deadline extended ***Sign up now ends June 13***

The Conservation Reserve Program (CRP) sign up deadline has been extended from May 30, 2003, to June 13, 2003.

Interest in the sign up has been very strong and this extension will give producers who are busy with this year's planting season more time to sign up.

The 2002 Farm Bill authorized CRP enrollment up to 39.2 million acres across the nation. In California there are more than 167,000 acres currently enrolled in the program on 367 farms.

Producers with contracts expiring this fall can make new contract offers which, if accepted, will become effective Oct. 1, 2003. All other contracts awarded under this sign-up will become effective either at the beginning of the next fiscal year, Oct. 1, 2003, or the following year, Oct. 1, 2004, whichever you choose.

More information on CRP is available online at:
www.fsa.usda.gov/daftp/cepd/default.htm.

Crop Disaster Program begins

The new Crop Disaster program begins June 6, 2003. Authorized by the Agricultural Assistance Act of 2003, the crop disaster program reimburses producers for qualifying

crop losses in either 2001 or 2002, but not both. The damages must be more than 35 percent for either the 2001 or 2002 crop for loss of production or 20 percent for quality losses.

Crops eligible for this program are:

- Insured Crops -- Crops insured by either catastrophic (CAT) or buy-up (coverage of 50/100 or greater) crop insurance;
- Noninsurable Crops -- Crops for which crop insurance was not available;
- Uninsured Crops -- Crops for which crop insurance was available but not purchased.

As required by statute, 2001 and 2002 crop disaster payments will be calculated using the same formula used for the 2000 crop year. This means the prices used to calculate disaster payments for crops insured by Future Crop Insurance Coverage (FCIC) will be the Actual Production History (APH) prices. For crops not insured by FCIC, 5-year average market prices will be used.

Unlike the 2000 crop disaster program, 2001 or 2002 crop disaster payments will be reduced if the sum of the: 1) disaster payment; 2) the net crop insurance indemnity; and 3) the value of the crop not lost exceeds 95 percent of what the value of the crop would have been in the absence of a loss.

For crops insured by FCIC, the value of the crop harvested and the value of the crop in absence of a loss will both be valued at the higher of the APH price election of the National Agricultural Statistics Service (NASS) season average price. NASS season average prices for the 2001 crops and the estimated prices for the 2002 crops have been published in "Crop Values" of February 2002, which is available at

www.usda.gov/nass/pubs/rpts302.htm.

CDP provisions are similar to disaster programs authorized for 1998 through 2000 crops, but with a few changes. Producers will have a choice of receiving payments for the 2001 or 2002 crops (but not both), and the payment rates will be slightly less than for the previous crop loss payments.

Payments will be issued to producers for losses in excess of 35 percent at:

- 50 percent of the established price for crops that were covered by crop insurance;
- 50 percent of the established price for crops for which crop insurance was not available; and
- 45 percent of the established price to producers for crops that could have been insured but insurance was not purchased by the producer.

CDP payments are limited to \$80,000 per producer.

Anyone who did not buy crop insurance on an insurable 2001/2002 crop for which you receive crop loss assistance, or for non-insurable crops, or if you elected not to participate in NAP for the year in which benefits will be received, **must** purchase crop insurance.

This insurance must be purchased at a level greater than catastrophic for insurable crops and/or NAP coverage for uninsurable crops. Producers must also complete all required program requirements, including yearly acreage reports for 2003 and 2004 in the county in which the crop was produced or prevented from being produced. If at the time farmers apply for CDP, the sales closing date for 2003 insurable crops, or for non-insurable crops for which the producer sought benefits has passed, they must purchase crop insurance and/or NAP, as applicable, for the 2004 and 2005 crops.

As a condition of receiving benefits under CDP, anyone who fails to purchase crop insurance and/or NAP coverage, will be required to refund the full amount of the CDP payment for the crop, plus interest. FSA offices have a list of crop insurance agents, or one can be found at www.rma.usda.gov under "Agent Locator."

Call the County FSA Office to schedule an appointment to sign up for benefits. County Offices are listed online at www.fsa.usda.gov/ca/countyphone.htm

More information on the disaster program is available at the USDA Service Centers and on FSA's Web site, www.fsa.usda.gov.

Note: Applicants are only eligible if their qualifying gross revenue doesn't exceed \$2.5 million.



Checked out

www.firstgov.gov yet?

Sign the CCC-709 Before Harvest

A reminder that CCC-709 forms have to be signed *before harvest* if you want to receive field direct LDPs for eligible crops.

Field direct LDPs are available to producers who:

- will lose beneficial interest when the commodity is delivered directly from the field to the processor, buyer, warehouse or cooperative;
- want to receive an LDP based on the date delivered directly from the field; or, will feed the commodity during harvest.

Your CCC-709 must be completed: on or before the date of harvest for the commodity; for one or more farm's expected production; and for all or a portion of the expected production. CCC-709s completed after harvest begins will be applicable only to quantities that have not been harvested.

You do not have to participate in the Direct and Counter-Cyclical Program to be eligible for LDPs. However, you must comply with various program requirements, such as acreage reporting for *all* crops (CCC-471), certifying compliance with Highly Erodible Land and Wetland Conservation requirements (AD-1026), and filing a Farm Operating Plan for Payment Eligibility Review (CCC-502).

Payment Limitations. The 2002 Farm Bill set a payment limitation of \$75,000 for all crops per crop year per person for LDPs and market loan gains. Also, producers who exceed \$2.5 million adjusted gross income and derive less than 75 percent of their income from farming, ranching, or forestry operations are eligible for commodity loans but not for LDPs or market loan

gains. For more information, call the office nearest you. For a list of phone numbers and addresses of the California FSA County Offices, www.fsa.usda.gov/ca/countyphone.htm

Interest Rates

Selected Interest Rates for June 2003	
90-Day Treasury Bill	1.125 %
Farm Operating - Direct	3.375 %
Farm Ownership - Direct	5.625 %
Limited Resource	5.000 %
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000 %
Emergency	3.750 %
Farm Storage Facility	4.000 %
Commodity Loans 1996- Present	2.750 %

News you can use

Handy websites!

Farm Service Agency, national website: www.fsa.usda.gov

Forms for FSA programs
<http://forms.sc.egov.usda.gov/eforms/mainervlet>

USDA's homepage:
www.usda.gov

UC Davis Agricultural Issues Center:
<http://aic.ucdavis.edu/>

Dates to Remember	
June 2	Deadline to sign DCP contract, all supporting documents without an additional fee
June 6	Sign up begins for Crop Disaster Program
June 13	Deadline for CRP sign up
July 3	Deadline for LCP-2
July 4	FSA Offices closed in observance of Independence Day